Family-Business and The Evolution of Land-Based Industries

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Family Business & Land

• Family businesses, those owned and operated by two or more family members, constitute at least 80 percent of North American businesses
  – Their share of the market is thought to be even greater in Europe, China and South America

• Land plays a significant role
  – An input for the
    • Industry’s suppliers
    • Industry itself
    • Distributors/buyers’ of industries’ products
  – A tool for capturing and preserving family wealth
Recognize These?

K.C. Irving
Founder, Irving Oil, 1924

McCourt Group

Asplundh
How About These?
Or These?

W.W. Cargill
Founder, Cargill, 1865

Rich Products Corporation
Robert E. Rich Sr., 1945

Facundo Bacardi
Chairman, Bacardi Limited
5th Generation
Why Study The Role of Family Businesses in Industry Evolution?

• Industry evolution represents the interplay of suppliers, firms and buyers over time
• Its study informs our understanding of:
  – Natural resource stewardship through multiple value chain stages
  – Commercial innovation and its effect on poverty, nutrition and conflict
  – Emergent leadership, ownership and governance practices and their effect on the human condition
• **Research Objective: Do family businesses play a distinctive role?**
  – From innovation to commitment to the status quo and persistence
  – Authenticity, justice & integrity
  – Cashing out, industry consolidation and the renewed attractiveness of small segments
Opportunities for Cross-Disciplinary Work

• Current Status:
  – Two projects:
    • Analyzing the evolution of the natural and artificial sweetener industries
    • Examining the influence of family leadership and control on the performance of REITs (with Kevin Chiang and an Honors College senior)
  – 13 students in sophomore honors college class who will have a solid, formal understanding of 13 different land based industries

• Opportunities for scholars and students who are interested in the combined entrepreneurial interplay of:
  – The legal, political and social context of commercial enterprise
  – Diffusion of technological and organizational innovation
  – Leadership, ownership and governance

• Scholars who are interested in developing compelling pedagogical tools and teaching cases